

2550 Hoods Creek Pike . Ashid. dr. Nembaki, 41102.

Ms. Stephanie Stumbo Executive Director Kentucky Public Service Commission 211 Sower Blvd. Frankfort, KY 40602

Z008-509

RECEIVED

DEC 09 2008

PUBLIC SERVICE COMMISSION

Case #: 2008-00???

December 8, 2008

Dear Ms. Stumbo

Please be advised that Natural Energy Utility Corporation (NEUC) has acquired the assets of American Natural Gas Corporation (ANGC) pursuant to the Order issued in Case # 2002-00050. NEUC is adopting the Rules, Rates and Regulations enforced by ANGC pursuant to Administrative Regulation 807 KAR 5:011, Section 15(6).

Natural Energy Utility Corporation is providing the following information in filing its quarterly gas cost report with the Kentucky PSC. The enclosed report has a case number of 2008-00???. The calculated gas cost recovery rate for this reporting period is \$7.3669. The base rate remains \$4.24. The minimum billing rate starting January 1, 2009 should be \$11.6169 for all MCF.

Thank you for your cooperation and please call me if you have any questions.

Freeman

Enclosure

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

Component	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC) Refund Adjustment (RA) Actual Adjustment (AA) Balance Adjustment (BA)	\$/MCF \$/MCF \$/MCF _\$/MCF	\$6.4687 \$0.0000 \$0.8982 \$0.0000
Gas Cost Recovery Rate (GCR)	\$/MCF	\$7.3669
to be effective for service rendered from: 01-01-2009 to 03-31-2009		
A) EXPECTED GAS COST CALCULATION	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (SCH II) / Sales for the 12 Months ended: September-08 = Expected Gas Cost (EGC)	\$/MCF \$/MCF 	\$556,800.00 <u>86,076</u> \$6.4687
B) REFUND ADJUSTMENT CALCULATION	Unit	Amount
		
Supplier refund adjustment for reporting period (SCH III)	\$/MCF	\$0.0000
+ Previous Quarter Supplier Refund Adjustment + Second Previous Quarter Supplier Refund Adjustment	\$/MCF \$/MCF	\$0.0000 \$0.0000
+ Third Previous Quarter Supplier Refund Adjustment	_\$/MCF	\$0.0000
= Refund Adjustment (RA)	\$/MCF	\$0.0000
C) ACTUAL ADJUSTMENT CALCULATION	<u>Unit</u>	Amount
Actual Adjustment for the Reporting Period (SCH IV)	\$/MCF	\$0.1350
+Previous Quarter Reported Actual Adjustment	\$/MCF	(\$0.0469)
+Second Previous Quarter Reported Actual Adjustment		\$0.8170
+ Third Previous Quarter Reported Actual Adjustment	\$/MCF	(\$0.0069)
= Actual Adjustment (AA)	\$/MCF	\$0.8982
D) BALANCE ADJUSTMENT CALCULATION	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (SCH V)	\$/MCF	\$0.0000
+ Previous Quarter Reported Balance Adjustment	\$/MCF	\$0.0000
+ Second Previous Quarter Reported Balance Adjustment	\$/MCF	\$0.0000
+ Third Previous Quarter Reported Balance Adjustment	\$/MCF	\$0.0000
= Balance Adjustment (BA)	\$/MCF	\$0.0000

SCHEDULE II

EXPECTED GAS COST

Actual Mcf Purchases for 12 months ended 9/30/2008								
(1)	(2)	(3) ITU		(4)	(5)		(6) (4) X (5)
Supplier	Dth	Conversio			Mcf	Rate		Cost
Marathon Petroleum	89,610)		1.03		87,000	\$6.40	\$556,800
Totals						87,000		\$556,800.00
Line loss for 12 months ended <u>09/30/2008</u> is based on purchase of <u>87,000</u> and sales of <u>86,076 Mcf</u>								
Total Expected Cost (of Purchase	es (6)			·	<u>Unit</u>		<u>Amount</u> \$556,800.00 87,000
= Average Expected (x Allowable Mcf Purc				s / .95)			\$6.40 86,076
= Total Expected Gas	Cost (to S	chedule I A)	ı					\$550,886.40

SCHEDULE III

REFUND ADJUSTMENTS

		<u>Unit</u>	<u>Amount</u>
Total Supplier Refuds Received		\$	\$0.00
+ INTEREST		\$	\$0.00
= Refund Adjustment including Inc	terest	\$	\$0.00
/ Sales for 12 Months Ended	Sep-08	Mcf	86,076
= Supplier Refund Adjustment for (To Schedule IB)	the Reporting Period	\$/Mcf	\$0.00

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 12 month period ended:

Sep-08

<u>Particulars</u>	<u>Unit</u>	<u>Jul-08</u>	<u>Aug-08</u>	<u>Sep-08</u>
Total Supply Volumes Purchased	Mcf	2,500	2,500	2,500
Total Cost of Volumes Purchased	\$	\$29,760	\$21,657	\$19,230
/ Total Sales	Mcf	2,500	2,623	2,305
= Unit Cost of Gas	\$/Mcf	\$11.9039	\$8.2565	\$8.3426
- EGC in Effect fo Month	\$/Mcf	\$7.9469	\$7.9469	\$7.9469
= Difference	\$/Mcf	\$3.9570	\$0.3096	\$0.3957
X Actual Sales during Month	Mcf	2,500	2,623	2,305
= Monthly Cost Difference	\$	\$9,893	\$812	\$912
		<u>U</u>	nit A	mount
Total Cost Difference		\$		\$11,617
/ Sales for 12 Months ended	Sep-08	M	cf	86,076
= Actual Adjustment for the Report	ting Period (to SCH IC)	\$		\$0.1350

^{**}May not be less than 95% of Supply Volume**



	FOR Entire Service Area
	P.S.C. KY. NO2008-00189
	ORIGINAL SHEET NO
NATURAL ENERGY UTILITY CORPORATION	CANCELLING P.S.C. KY. NO
	SHEET NO.
RULES AND REGU	JLATIONS
O) DAMEG.	
<pre>2) RATES: The following rates are applicable basis:</pre>	for service rendered on a monthly
Minimum bill: \$11.6169 - covers 0-1 Cost Per MCF: \$11.6169	MCF
A copy of the Company's billing for	rmat is attached on Sheet 21.
2(A) Any customer complaining to the shall be notified of his right to file all other information required by 807 KA	a complaint with the PSC and with
3) CUSTOMER CLASSIFICATIONS:	
Residential:Service to customers when usage in a residential air conditioning, or residential uses.	ho consists of direct natural gas tial dwelling for space heating, cooking, water heating and other
Commercial:Service to customers en goods or service i and federal governm	ngaged primarily in the sale of including institutions and local ent agencies for uses other than anufacturing or electric power
a) Small Commercial	l: up to 50MCF/day
b) Large Commercial	l: more than 50MCF/day
DATE OF ISSUE_12/??/08 DATE IN MONTH DAY YAR ISSUED BY H. JAY FREEMAN	EFFECTIVE 01/01/09 MONTH DAY YEAR MGR. Resident
NAME OF OFFICER	TITLE TITLE